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The President's Daily Brief

August 26, 1974

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THE PRESIDENT'S DAILY BRIEF

August 26, 1974

PRINCIPAL DEVELOPMENTS

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President Spinola appears to have a slight edge in the continuing contest for power with the Armed Forces Movement. Agreements with leaders of the "Republic of Guinea-Bissau" and of the Front for the Liberation of Mozambique reportedly are about to be announced. (Page 4)

Notes on Laos and Ethiopia appear on Page 5.

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GREECE-CYPRUS-TURKEY

The response to Moscow's proposal for an enlarged conference on the Cyprus situation has been mixed but tends toward the negative. Greece and the Greek Cypriots are expected to announce qualified agreement today. Turkey is expected to reject the proposal. Britain, which had been working to win Greek agreement to resume the Geneva negotiations, initially gave the Soviet plan a chilly reception, but now says it will not reject the proposal if it is acceptable to other interested parties. The US mission at the UN believes the plan will not win acceptance in the immediate future unless there are new Turkish provocations on Cyprus.

Cypriot President Clerides, who has been holding talks with Greek Prime Minister Karamanlis in Athens, has stated that Turkish "concessions" were insufficient to warrant a reconvening of the Geneva talks. He stressed that there is complete agreement between Athens and Nicosia on policy regarding the island.

UN Secretary General Waldheim conferred with Karamanlis in Athens yesterday, then flew to Nicosia. He will go on to Ankara before returning to Greece. His talks will concentrate on the mandate of the UN peace-keeping forces on Cyprus and the plight of refugees. Waldheim also is expected to discuss the implications of convening a conference along the lines of the Soviet plan.

In Greece

The Karamanlis government has taken additional measures to consolidate its position. Former strongman Brigadier General Ioannidis and several other senior officers were retired Saturday. Newly appointed Greek army commander Ioannis Davos emphasized last week that the army at all levels should be exclusively concerned with military problems-- a statement the US embassy interprets as a pledge that the army will avoid a political role.

Two senior Greek Foreign Ministry officials have expressed concern to the US embassy over the deterioration in Greek-American relations. They stressed that Karamanlis wants to avoid irreparable

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damage to Athens' relations with the US and Western Europe but, at the same time, must contend with national frustrations. According to one of the officials, the Greek government in the coming months will ask the US to renegotiate the modalities of many of its agreements with Athens, some of which--such as the status of forces agreement--the official termed "anachronistic." He said that Karamanlis recognizes cooperation with the US is in Greece's best interests and does not want to dismantle that cooperation but to "restructure" it.

Turkish Intentions

A close policy adviser to Turkish Prime Minister Ecevit has stated that Ankara will insist on a permanent Turkish Cypriot zone no smaller than 28 percent of the island's area. The US embassy in Nicosia believes Turkey wants a two-cantonal, confederal system and will trade territory for a transfer of population. The embassy also believes Ankara will make every effort to hold on to Famagusta or, at a minimum, to insist on the Turkish community's right to import freely from the mainland. This could also be Ankara's position on the Nicosia airport.

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Militarily, the situation on the island has been quiet. Senior UN officials, however, report continuing efforts by Turkish troops to force UN peace-keeping troops out of northern Cyprus.

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ISRAEL-EGYPT

Israel conducted its nationwide mobilization exercise yesterday.

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would not risk being caught unprepared by Israel's current military activity, but neither would it violate the disengagement agreement unless it felt forced to do so.

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PORUGAL

President Spinola appears to have a slight edge in the continuing contest for power with the Armed Forces Movement. The current dispute centers on Spinola's request for more authority. He feels that the final decision-making power is spread too widely within the government and wants the Armed Forces Movement's Coordinating Committee to be downgraded or eliminated entirely. The Coordinating Committee currently supervises government decisions to ensure fulfillment of the Movement's program.

Spinola's threat to resign two weeks ago stemmed from frustration over the present arrangement. Military officers are now being polled to determine whether the Coordinating Committee should be disbanded and Spinola given a military vote of confidence.

One of the factors that may work in Spinola's favor is a rift within the Armed Forces Movement between those who support the President and the more radical members who feel they can carry out the Movement's program without him. The President will also benefit from the support of Armed Forces Chief of Staff Costa Gomes against the committee, reportedly the deciding factor for many officers.

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Portuguese officials and leaders of the "Republic of Guinea-Bissau" will sign an agreement today in Algiers on the transfer of power to the rebel government, according to the Algerian Foreign Ministry. Actual independence may be announced soon, perhaps before mid-September.

In Mozambique, the acting governor-general yesterday officially announced that an interim government, presumably composed of Portuguese officials and leaders of the rebel Front for the Liberation of Mozambique, would be established within the next few days. Another round of talks to work out final details is scheduled for early September, probably in Lusaka, Zambia. The territory will be granted full independence next year.

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NOTES

Laos: The Pathet Lao reportedly have announced that as a "humanitarian and good-will gesture," Emmet Kay--a US civilian contract pilot--will be among the first group of prisoners to be released on September 12. The communists have consistently maintained that they do not consider Kay a prisoner of war because his capture last May occurred after the cease-fire agreement had been signed.

Ethiopia: Ethiopia's dominant Armed Forces Coordinating Committee has compelled Prime Minister Mikael to dismiss three of the four cabinet ministers to whom the committee objected. The fourth has been moved to a less important ministry. In a step toward ending the decade-long revolt in the northern province of Eritrea, the committee has appointed a civilian governor-general there. He replaces a military officer who had obstructed any policy initiatives toward reducing provincial dissidence.

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